

**TID 74 – N. 35<sup>th</sup> & Capitol Drive**  
**Periodic Report**  
**12/31/17**

**District Created: 2009**

**Authorized expenditure (excluding interest): \$15,600,000**

**Authorizing resolution(s): File #090325, #140437**

**Projected TID cost recovery: 2035 (levy year)**

**Maximum legal life: 2036**

**Base property value: \$63,334,700; District base value redetermined in 2014**

**Completion Status: Ongoing**

**Project description**

In 2009, the City of Milwaukee undertook a multi-year redevelopment process incorporating a variety of funding sources to cover the anticipated costs of acquisition, demolition, site preparation, new infrastructure and other related activities. These sources include \$10 million in Capital Budget funding and \$15.6 million in district revenues, with the balance of funding derived from federal and state grants, New Markets Tax Credits equity and land sale proceeds. The overall \$35.4 million project budget will support the following activities:

- Acquisition of the 84-acre portion of the site
- Demolition of approximately 1.8 million square feet of presently vacant or underutilized industrial buildings, including asbestos abatement
- Environmental remediation and abatement of contaminants in building components and soil
- Clearing and grading of the site
- Stabilization of existing buildings and ongoing holding costs for the site during the three year development period
- Public improvements, including streets and utilities to serve the business park
- Matching funds to assist with qualified private improvements to existing residential properties in the TID through the Century City Targeted Investment Neighborhood (TIN)
- Development fund to provide funding for job training within the district
- Planning and community outreach
- Administrative costs associated with the TID

The City will have to complete significant demolition, environmental remediation, and site preparation activities before construction can commence on the site.

The Redevelopment Authority (RACM) continued their contract with Colliers International to market Century City 1, Building 36, and the remaining 45-acres of land. There have been a number of leads for Century City 1. Recently, General Capital, CCI managing general partner and the M-7 joined efforts in negotiating with a prospect for CC1 and this type of engagement to sell buildings and land will continue.

RACM completed the installation of landscaping and public right-of-way infrastructure improvements along West Hopkins Street. This work included the installation of landscaping, sidewalks, LED street lighting and a gateway to the business park. An expansion of the storm water basin began in late fall 2016 and was completed by 2017 year end. The basin provides

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storm water management for the entire business park. This project also allowed for full expenditure and close out of EPA and WEDC grants.

Crown Castle continues to lease the property at 3180 West Townsend Street. A draft sales and purchase agreement is under review by Crown Castle's legal team.

Benson Industries completed fabrication and assembly of the exterior curtain wall for the Northwestern Mutual Commons project. Benson partnered with the Wisconsin Regional Training Partnership (WRTP) to recruit and train more than 70 unemployed workers in window assembly and glazing. Benson invested more than \$100,000 in improvements in Building 36.

In 2017, the majority of the city's efforts centered on ongoing maintenance, construction and marketing of the business park. Other activities include:

- Talgo, Inc. has signed an extended lease for Building 36. To fulfill a \$74 million contract with Los Angeles, Talgo absorbs the entirety of Building 36 including overhead costs which greatly reduces the annual operating deficit for the business park.
- Continue working with Colliers to promote the sale/lease of buildings and land for manufacturing purposes
- Market 27<sup>th</sup>/Hopkins out lots and building for commercial development
- Complete the storm water basin expansion project
- Continue to Obtaining Final Case Closure from the Wisconsin Department of Natural Resources for Area A (3945 N. 31<sup>st</sup> St.)
- Continue maintenance work on buildings 1A and 65
- Remediate outlots/exterior parking lots for development
- Complete design and construction for Phase II infrastructure and transportation enhancements surrounding the business park.

District incremental values have changed as follows:

<b>Year</b>	<b>Incremental Value</b>
2017	\$ (5,879,200)
2016	\$ (5,318,900)
2015	\$ (8,689,700)
2014	\$ (6,876,100)
2013	\$ (25,834,100)
2012	\$ (31,461,100)
2011	\$ (18,525,600)
2010	\$ (14,608,400)

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**Expenditures - Life to Date (as of 12/31/17)**

	<b>Project Plan Budget</b>	<b>Appropriations</b>	<b>Encumbrances</b>	<b>Expenditures</b>	<b>Remaining</b>
Administration	\$ 1,550,000	\$ 1,169,975		\$ 1,169,975	\$ -
Demolition	7,127,375	6,494,378		6,494,378	-
Environmental	3,007,625	1,430,702		1,430,702	-
Neighborhood Housing	400,000	104,945		104,945	-
Contingency	3,015,000	-		-	-
Workforce Development	500,000	-		-	-
Transfer to CCRC	-	6,400,000		6,400,000	-
Capitalized Interest	1,560,000	1,153,085		1,153,085	(0)
Total	\$ 17,160,000	\$ 16,753,085	\$ -	\$ 16,753,085	\$ (0)

**Financing Costs – Interest Paid through 12/31/2017: \$4,548,980**

**Revenue/Value Performance (as of 12/31/2017)**

	<b>Projected</b>	<b>Actual</b>
Property value	\$ 88,109,130	\$ 57,455,500
Incremental value	\$ 11,404,830	\$ (5,879,200)
Incremental taxes	\$ 774,192	\$ -
State aid	*	\$ 31,612

**Miscellaneous Revenue through 12/31/2017: \$38,992**

Is the project within budget? ☐ Yes ☒ No If no, explain: Most funds awarded to the project have been fully expended and administrative costs have been shifted to RACM. From a site perspective, additional funds are needed to complete environmental cleanup; on-site infrastructure and maintenance costs which increased due to recent improvements (i.e. greenway and basin expansion); and maintenance of B1A and B65.

Is the project on schedule? ☒ Yes ☐ No If no, explain:

Identify any significant concerns that might affect budget or schedule of this project in the future: See comments above regarding the redetermination of the base value.